

**CONTRACT PERIOD THROUGH NOVEMBER 19, 2004**

TO: All Departments

FROM: Department of Materials Management

SUBJECT: Contract for **COBRA ADMINISTRATION PROVIDER**

Attached to this letter is published an effective purchasing contract for products and/or services to be supplied to Maricopa County activities as awarded by Maricopa County on **November 19, 2001**.

All purchases of products and/or services listed on the attached pages of this letter are to be obtained from the vendor holding the contract. Individuals are responsible to the vendor for purchases made outside of contracts. The contract period is indicated above.

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Wes Baysinger, Director  
Materials Management

SD/lc  
Attach

Copy to: Clerk of the Board  
Gary Peterson, Buck Consultants  
Karen Bejarano, Employee Benefits  
Sue Wybraniec, Human Resources  
Monica Mendoza, Materials Management

**SPECIFICATIONS ON INVITATION FOR BID FOR: COBRA ADMINISTRATION PROVIDER**

**1.0 INTENT:**

It is the intent of Maricopa County to solicit proposals for COBRA administration commencing January 1, 2002.

Administration is being provided for active and retired employees covered under the County healthcare plans.

The current contractor provides the notifications to participants when the County has a COBRA qualifying event occur and administration for all COBRA eligible participants who elect coverage. The initial notification letters upon hire and HIPAA certificates are not being administered by the current contractor.

**2.0 TECHNICAL SPECIFICATIONS:**

**2.1 Scope of Work**

2.1.1 The Vendor will serve as the COBRA plan administrator for purposes of the qualifying event notifications and ongoing COBRA administration. The County will notify the Vendor of a qualifying event and provide the status change information to the Vendor electronically or manually. The Vendor then issues the initial notice of COBRA rights and election form to qualified beneficiaries, via first class mail, within 14 days from the date of notification from the Employer/qualified beneficiary.

2.1.2 The Vendor will perform the following COBRA administrative services:

2.1.2.1 Upon receipt of the election form from the qualified beneficiary, verify COBRA eligibility and establish a billing record.

2.1.2.2 Generate payment coupons for payment of premiums. Premium coupons will be mailed to the beneficiary based on the selection(s) indicated on the election form. Premium due dates will be established based upon the receipt of the election form.

2.1.2.3 Receive premium checks from participants and record status.

2.1.2.4 Forward all fully insured premiums to the appropriate vendors including a copy of the beneficiary's election form, and detail on enrollment, additions, and deletions. Forward all self funded plan premiums and COBRA administrative charges (2%) to the County, with applicable reports.

2.1.2.5 Determine and track applicable maximum coverage periods based on qualifying events and continued COBRA eligibility.

2.1.2.6 Issue termination letters to qualified beneficiaries who fail to pay on a timely basis, fail to pay the full premium with the exception of insignificant shortfalls (10% or \$50), or upon the expiration of the maximum coverage period.

2.1.2.7 Issue letters for insignificant shortfall amounts due (10% or \$50).

- 2.1.2.8 Periodically investigate/determine whether the qualified beneficiary has become, after the date of the election, covered by another group health plan or entitled to Medicare benefits. If so, research pre-existing conditions limitations under the other coverage and determine whether COBRA coverage should terminate.
- 2.1.2.9 Administer disability extensions.
- 2.1.2.10 Administer dependent qualifying events.
- 2.1.2.11 Provide eligibility information to carriers.
- 2.1.2.12 Issue notice of conversion rights letters during the last 180 days prior to COBRA termination date, if applicable, under their coverage option.
- 2.1.2.13 At month end, provide management report(s) to the Employer for purposes of accounting and reporting of premium payment/eligibility status to health plan providers. The reports should include participant name, social security number, termination date, termination reason, reports broken out by plan (medical, dental, etc.) and the coverage category chosen.
- 2.1.2.14 Notify COBRA participants regarding changes to contribution rates.
- 2.1.2.15 Conduct annual open enrollment for COBRA participants including forwarding plan changes, premium change information; process open enrollment changes and notify carriers of the changes.
- 2.1.2.16 Handle all participant calls and disputes.
- 2.1.2.17 Vendor must supply and pay for all printed employee communication materials.
- 2.1.2.18 HIPAA Certificates are provided by the medical vendors and are not a part of this bid.
- 2.1.2.19 Initial notification letters upon employee hire are not a part of this bid.

**2.2 MINIMUM REQUIREMENTS:**

- 2.2.1 Must accept Maricopa County's electronic eligibility file formatted to their specifications. Please see Attachment D.
- 2.2.2 Must provide a minimum of a three-year guarantee on the rates quoted.
- 2.2.3 Must administer COBRA within all regulatory standards and stay in full compliance with all regulations.
- 2.2.4 Must provide comprehensive tracking system for COBRA participants (including eligibility, qualifying events, elections, billings, payments, terminations, rights of conversion, reporting, etc.).

2.3 REFERENCES

Bidders must provide at least five (5) reference accounts to whom they are presently providing this service. Included must be the name of government or company, individual to contact, e-mail address, phone number and mailing address (see attachment C). Preference in awarding this Contract may be given to Contractors furnishing government accounts similar in size to Maricopa County

If we are unable to contact your reference due to outdated or incorrect information then that reference will be thrown out and may affect the results of the review of your proposal.

2.4 TAX:

No tax shall be levied against labor. Bid pricing to include all labor, overhead tools and equipment used, profit, and any taxes that may be levied. It is the responsibility of the bidder to determine any and all taxes and include the same in bid price.

3.0 **SPECIAL TERMS & CONDITIONS:**

3.1 CONTRACT LENGTH:

This Invitation for Bids is for awarding a firm, fixed price-purchasing contract to cover a THREE- (3) year period.

3.2 OPTION TO EXTEND:

The County may, at their option and with the approval of the Contractor, extend the period of this Contract up to a maximum of TWO (2), one (1) year options. The Contractor shall be notified in writing by the Materials Management Department of the County's intention to extend the contract period at least thirty (30) calendar days prior to the expiration of the original contract period.

3.3 INDEMNIFICATION AND INSURANCE:

3.3.1 INDEMNIFICATION:

To the fullest extent permitted by law, the **CONTRACTOR** shall defend, indemnify and hold harmless the **COUNTY**, its agents, representatives, officers, directors, officials and employees from and against all claims, damages, losses and expenses, including but not limited to attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to, arising out of, or resulting from the acts, errors, omissions, or mistakes relating to the performance of this Contract. **CONTRACTOR'S** duty to defend, indemnify and hold harmless the **COUNTY**, its agents, representatives, officers, directors, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use resulting therefrom, caused by any act, errors, omissions or mistakes in the performance of the Contract including any person for whose acts, errors, omissions or mistakes, the **CONTRACTOR** may be legally liable

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

**Abrogation of Arizona Revised Statutes Section 34-226:**

In the even that A.R.S. § 34-226 shall be repealed or held unconstitutional or otherwise invalid by a court of competent jurisdiction, then to the fullest extent permitted by law, the **CONTRACTOR** shall defend, indemnify and hold harmless the **COUNTY**, its agents, representatives, officers, directors, officials and employees from and against all claims, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), relating to, arising out of, or resulting from **CONTRACTOR'S** work or services. **CONTRACTOR'S** duty to defend, indemnify and hold harmless, the **COUNTY**, its agents, representatives, officers, directors, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, injury to, impairment or destruction of property including loss of use resulting therefrom, caused in whole or in part by any act or omission of the **CONTRACTOR**, anyone **CONTRACTOR** directly or indirectly employs or anyone for whose acts **CONTRACTOR** may be liable, regardless of whether it is caused in part by a party indemnified hereunder, including the **COUNTY**.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

The scope of this indemnification does not extend to the sole negligence of the **COUNTY**.

3.4 **INSURANCE REQUIREMENTS:**

**CONTRACTOR**, at **CONTRACTOR'S** own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. Rating of B++6, or approved unlicensed companies in the State of Arizona with policies and forms satisfactory to the **COUNTY**.

All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of the **COUNTY**, constitute a material breach of the Contract.

The **CONTRACTOR'S** insurance shall be primary insurance as respects the **COUNTY**, and any insurance or self-insurance maintained by the **COUNTY** shall not contribute to it.

Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall no affect coverage afforded under the insurance policies to protect the **COUNTY**.

The insurance policies may provide coverage which contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to the **COUNTY** under such policies. The **CONTRACTOR** shall be solely responsible for the deductible and/or self-insured retention and the **COUNTY**, at its option, may require the **CONTRACTOR** to secure payment of such deductibles or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.

The **COUNTY** reserves the right to request and receive, within ten (10) working days, certified copies of any or all of the herein required insurance policies and/or endorsements. The **COUNTY** shall not be obligated, however, to review such policies and/or endorsements or to advise **CONTRACTOR** of any deficiencies in such policies and endorsements, and such receipt shall not relieve **CONTRACTOR** from, or be deemed a waiver of, the **COUNTY'S** right to insist on strict fulfillment of **CONTRACTOR'S** obligations under this Contract.

The insurance policies, required by this Contract, except Workers' Compensation, shall name the **COUNTY**, its agents, representatives, officers, directors, officials and employees as Additional Insureds.

The insurance policies required hereunder, except Workers' Compensation, shall contain a waiver of transfer of rights of recovery (subrogation) against the **COUNTY**, its agents, representatives, officers, directors, officials and employees for any claims arising out of **CONTRACTOR'S** work or service.

- 3.4.1 Commercial General Liability. **CONTRACTOR** shall maintain Commercial General Liability insurance with a limit of not less than \$1,000,000.00 for each occurrence with a \$2,000,000.00 Products/Completed Operations Aggregate and a \$2,000,000.00 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of the Contract which coverage will be at least as broad as Insurance Service Office, Inc. Policy Form CG 00 01 10 93 or any replacements thereof. The coverage shall include X, C, U.

The policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, or any provision which would serve to limit third party action over claims.

The Commercial General Liability additional insured endorsement shall be at least as broad as the Insurance Service Office, Inc.'s Additional Insured, CG 20 10 11 85, and shall include coverage for **CONTRACTOR'S** operations and products and completed operations.

If the **CONTRACTOR** subcontracts any part of the work, services or operations awarded to the **CONTRACTOR**, he shall purchase and maintain, at all times during prosecution of the work, services or operations under this Contract, an Owner's and **CONTRACTOR'S** Protective Liability insurance policy for bodily injury and property damage, including death, which may arise in the prosecution of the **CONTRACTOR'S** work, service or operations under this Contract. Coverage shall be on an occurrence basis with a limit not less than \$1,000,000.00 per occurrence, and the policy shall be issued by the same insurance company that issues the **CONTRACTOR'S** Commercial General Liability Insurance.

- 3.4.2 Automobile Liability. **CONTRACTOR** shall maintain Automobile Liability insurance with an individual single limit for bodily injury and property damage of no less than \$1,000,000.00, each occurrence, with respect to **CONTRACTOR'S** vehicles (whether owned, hired, non-owned), assigned to or used in the performance of this Contract.

- 3.4.3 Workers' Compensation. The **CONTRACTOR** shall carry Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of **CONTRACTOR'S** employees engaged in the performance of the work or services, as well as Employer's Liability insurance of not less than \$1,000,000.00 for each accident, \$1,000,000.00 disease for each employee, and \$1,000,000.00 disease policy limit.

In case any work is subcontracted, the **CONTRACTOR** will require Subcontractor to provide Workers' Compensation and Employer's Liability insurance to at least the same extent as required of the **CONTRACTOR**.

**3.5 CERTIFICATES OF INSURANCE:**

Prior to commencing work or services under this Contract, **CONTRACTOR** shall furnish the **COUNTY** with Certificates of Insurance, or formal endorsements as required by the Contract, issued by **CONTRACTOR'S** insurer(s), as evidence that policies providing the required coverages, conditions and limits required by this Contract are in full force and effect. Such certificates shall identify this Contract number and title.

In the even any insurance policy(ies) required by this Contract is(are) written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of the **CONTRACTOR'S** work or services and as evidenced by annual Certificates of Insurance.

If a policy does expire during the life of the Contract, a renewal certificate must be sent to the **COUNTY** fifteen (15) days prior to the expiration date.

**3.6 CANCELLATION AND EXPIRATION NOTICE:**

Insurance required herein shall not expire, be canceled, or materially changed without thirty (30) days prior written notice to the **COUNTY**.

**3.7 TERMS AND PAYMENT:**

Payment under Contract will be made in the manner provided by law. Invoices shall be prepared and submitted in accordance with the instructions provided on the Purchase Order. Invoices shall contain the following information : Purchase Order number, item numbers, description of supplies and/or services, sizes, quantities, unit prices and extended totals and applicable sales/use tax. The county is not subject to excise tax.

**3.8 USAGE REPORT:**

The Contractor shall furnish the County a quarterly usage report delineating the acquisition activity governed by the Contract. The format of the report shall be approved by the County and shall disclose the quantity and dollar value of each contract item by individual unit.

**3.9 PROCUREMENT CARD ORDERING CAPABILITY:**

It is the intent of Maricopa County to utilize the Bank of America MC Procurement Card or other procurement card that may be used by the County from time to time to place and make payment for orders under the Contract. Bidders without this capability maybe considered non-responsive and not eligible for award consideration.

**3.10 PROMPT PAYMENT DISCOUNT:**

Bidders are strongly encouraged to offer Maricopa County prompt payment discounts for this service and take into consideration receipt of payment within seventy-two hours from time of payment processing. Discounts offered will be considered in the evaluation price analysis process.

**3.11 INQUIRIES:**

All inquiries concerning information herein shall be addressed to:

MARICOPA COUNTY  
DEPARTMENT OF MATERIALS MANAGEMENT  
ATTN: CONTRACT ADMINISTRATION  
320 WEST LINCOLN STREET  
PHOENIX, AZ 85003

Administrative telephone inquiries shall be addressed to:

STEVE DAHLE, LEAD PROCUREMENT CONSULTANT, 506-3450  
(sdahle@mail.maricopa.gov)

Technical telephone inquiries shall be addressed to:

KAREN BEJARANO, EMPLOYEE BENEFITS 602-372-7930

Inquiries may be submitted by telephone but must be followed up in writing. No oral communication is binding on Maricopa County.

**4.0 CONTRACT TERMS AND CONDITIONS:**

**4.1 LANGUAGE FOR REQUIREMENTS CONTRACTS:**

Contractors signify their understanding and agreement by signing this document, that the Contract resulting from this bid will be a requirements contract. However, this Contract does not guarantee that any purchases will be made. It only indicates that if purchases are made for the services contained in this Contract, that they will be purchased from the Contractor awarded that item. Orders will only be placed when a need is identified by a Using Agency or department and proper authorization and documentation have been approved.

**4.2 ESCALATION:**

Any requests for price adjustments must be submitted thirty (30) days prior to the Contract renewal date. Justification for the requested adjustment in cost of labor and/or materials must be accompanied by appropriate documentation. Escalation shall not exceed the increase in the U.S. Department of Labor (Bureau of Labor Statistics) Consumer Price Index for Urban Consumers. Increases shall be approved in writing by the Materials Management Department prior to any adjusted invoicing submitted for payment.

**4.3 UNCONDITIONAL TERMINATION FOR CONVENIENCE:**

Maricopa County may terminate the resultant Contract for convenience by providing sixty (60) calendar days advance notice to the Contractor.

**4.4 TERMINATION FOR DEFAULT:**

If the Contractor fails to meet deadlines, or fails to provide the agreed upon service/material altogether, a termination for default will be issued. The termination for default will be issued only after it is deemed by the County, that the Contractor has failed to remedy the problem after being forewarned.

**4.5 TERMINATION BY THE COUNTY:**

If the Contractor should be adjudged bankrupt or should make a general assignment for the benefit of its creditors, or if a receiver should be appointed on account of its insolvency, the County may terminate this Contract. If the Contractor should persistently or repeatedly refuse or should fail. Except in cases for which extension of time is provided, to provide enough properly skilled workers or proper materials, or persistently disregard laws and ordinances, or not proceed with work or otherwise be guilty of , a substantial violation of any provision of this Contract, then the County may terminate this Contract. Prior to termination of this Contract, the County shall give the Contractor fifteen (15) calendar days written notice. Upon receipt of such termination notice, the Contractor shall be allowed fifteen (15) calendar days to cure such deficiencies.

**4.6 APPROPRIATION CONTINGENCY:**

The Contractor recognized that any agreement entered into shall commence upon the day fires provided and continued in full force and effect until termination in accordance with its provisions. The Contractor and the County herein recognized that the continuation of any contract after the close of any given fiscal year of the County which fiscal years end June 30 of each year, shall be subject to the approval of the budget of the County providing for or covering such contract item as an expenditure therein. The County does not represent that said budget item will be actually adopted, said determination being the determination of the County Board of Supervisors at the time of the adoption of the budget.

**4.7 ORGANIZATION – EMPLOYMENT DISCLAIMER:**

The Contract is not intended to constitute, create, give rise to or otherwise recognize a joint venture contract or relationship, partnership or formal business organization of any kind, and the rights and obligations of the parties shall be only those expressly set forth in the Contract.

The parties agree that no persons supplied by the Contractor(s) in the performance of obligations under the contract are considered to be County employees, and that no rights of County civil service, retirement or personnel rules accrue to such persons. The Contractor(s) shall have total responsibility for all salaries, wages, bonuses, retirement withholdings, workmen's compensations, other employee benefits and all taxes and premiums appurtenant thereto concerning such persons, and shall save and hold the County harmless with respect thereto.

**4.8 STATUTORY RIGHT OF CANCELLATION FOR CONFLICT OF INTEREST:**

Notice is given that pursuant to A.R.S. § 38-511 the County may cancel this Contract without penalty or further obligation within three years after execution of the contract, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County is at any time while the Contract or any extension of the Contract is in effect, an employee or agent of any other party to the Contract in any capacity or consultant to any other party of the Contract with respect to the subject matter of the Contract. Additionally, pursuant to A.R.S. § 38-511 the County may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County from any other party to the contract arising as the result of the Contract.

**4.9 OFFSET FOR DAMAGES;**

In addition to all other remedies as Law or Equity, the County may offset from any money due to the Contractor any amounts Contractor owes to the County for damages resulting from breach or deficiencies in performance under this contract.

**4.10 ADDITIONS/DELETIONS OF SERVICE:**

The County reserves the right to add and/or delete services to this Contract. Should a service requirement be deleted, payment to the Contractor will be reduced proportionally, to the amount of service reduced in accordance with the bid price. Should additional services be required from this Contract, prices for such additions will be negotiated between the Contractor and the County.

**4.11 SUBCONTRACTING:**

The Contractor may not assign this Contract or Subcontract to another party for performance of the terms and conditions hereof without the written consent of the County. All correspondence authorizing subcontracting must reference the Bid Serial Number and identify the job project.

The Subcontractor's rate for the job shall not exceed that of the Prime Contractor's rate, as bid in the pricing section, unless the Prime Contractor is willing to absorb any higher rates. The Subcontractor's invoice shall be invoiced directly to the Prime Contractor, who in turn shall pass-through the costs to the County, without mark-up. A copy of the Subcontractor's invoice must accompany the Prime Contractor's invoice.

**4.12 AMENDMENTS:**

All amendments to this Contract must be in writing and signed by both parties.

**4.13 CONFORMATION WITH THE LAW:**

This service shall be accomplished in conformity with the laws, ordinances, rules, regulations and zoning restrictions of the United States of America, the State of Arizona, County of Maricopa and the City of Phoenix.

**4.14 CONTRACT COMPLIANCE MONITORING:**

The Materials Management Department and the using Agency(ies) shall monitor the Contractors' compliance with, and performance under, the terms and conditions of the Contract. The Contractor shall make available for inspection and/or copying by the County all records and accounts relating to the work performed or the services provided by this Contract.

**4.15 RETENTION OF RECORDS:**

The Contractor agrees to retain all financial books, records, and other documents relevant to this Contract for five (5) years after final payment or until after the resolution of any audit questions which could be more than five (5) years, whichever is longer. The Department, Federal or State auditors and any other persons duly authorized by the Department shall have full access to, and the right to examine, copy and make use of any and all said materials.

**4.16 ADEQUACY OF RECORDS:**

If the Contractor's books, records and other documents relevant to this Contract are not sufficient to support and document that allowable services were provided, the Contractor shall reimburse Maricopa County for the services not so adequately supported and documented.

**4.17 AUDIT DISALLOWANCES:**

If at any time it is determined by the Department that a cost for which payment has been made is a disallowed cost, the Department shall notify the Contractor in writing of the disallowance and the required course of action, which shall be at the option of the Department either to adjust any future claim submitted by the Contractor by the amount of the disallowance or to require repayment of the disallowed amount by the Contractor forthwith issuing a check payable to Maricopa County.

**4.18 P.O. CANCELLATION LANGUAGE:**

The Department of Materials Management reserves the right to cancel Purchase Orders within a reasonable period of time after issuance. Should a Purchase Order be canceled, the County agrees to reimburse the Contractor but only for actual and documentable costs incurred by the Contractor due to an after issuance of the Purchase Order. The County will not reimburse the Contractor for any costs incurred after receipt of County notice of cancellation, or for lost profits, shipment of product prior to issuance of Purchase Order, etc.

Contractors agree to accept verbal notification of cancellation from the Department of materials Management with written notification to follow. By submitting a bid in response to the Invitation For Bids, the Contractor specifically acknowledges to be bound by this cancellation policy.

**4.19 VALIDITY:**

The invalidity, in whole or in part, of any provision of the Contract shall not void or affect the validity of any other provision of this Contract.

**4.20 CONTRACTOR RESPONSIBILITY:**

The Contractor will be responsible for any damages whatsoever to County property as applicable when such property is the responsibility or in the custody of the Contractor, his employees or Subcontractors.

**4.21 GUARANTEE:**

The materials and supplies called herein shall be the best of their grade and types, prepared according to the best available standards or accepted formulas, and thoroughly tested and subjected to rigid examination and standardization. Items not meeting these requirements shall be replaced at no cost to the County upon due notice of deficiency.

**4.22 DELIVERY:**

It shall be the Contractor's responsibility to meet the County's delivery requirements, as called for in the Technical Specifications. Maricopa County reserves the right to obtain services on the open market in the event the Contractor fails to make delivery and any price differential will be charged against the Contractor.

**4.23 RIGHTS IN DATA:**

The County shall have the use of data and reports resulting from this Contract without additional cost or other restriction except as may be established by law or applicable regulation. Each party shall supply to the other party, upon request, any available information that is relevant to this Contract and to the performance hereunder.

**4.24 SECURITY AND PRIVACY:**

The Contractor agrees that none of its officers or employees shall use or reveal any research or statistical information furnished by any person and identifiable to any specific private person for any purpose other than the purpose for which it was obtained. Copies of such information shall not, without the consent of the person furnishing such information, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceedings, unless ordered by a court of competent jurisdiction. The County shall be notified immediately upon receipt of any such order of court, pertaining to production of such information.

The Contractor shall incorporate the foregoing provisions of this paragraph in all of its authorized subcontracts.

**ERISA ADMINISTRATIVE SERVICES INC., 4527 N. 16<sup>th</sup> ST., SUITE 102, PHOENIX, AZ 85016**

WILLING TO ACCEPT FUTURE SOLICITATIONS VIA EMAIL: ☒ YES ☐ NO

ACCEPT PROCUREMENT CARD: ☐ YES ☒ NO

REBATE (CASH OR CREDIT) FOR UTILIZING PROCUREMENT CARD: ☐ YES ☒ NO ☐ % REBATE  
(Payment shall be made within 48 hrs utilizing the Purchasing Card)

INTERNET ORDERING CAPABILITY: ☐ YES ☒ NO ☐ % DISCOUNT

OTHER GOV'T. AGENCIES MAY USE THIS CONTRACT: ☒ YES ☐ NO

**PRICING: S07 39 11 / B0604228**

1.0 PRICING:		YEAR 1	YEAR 2	YEAR 3
1.1	FLAT MONTHLY RATE	\$ _____	\$ _____	\$ _____
	OR			
1.2	RATE PER EMPLOYEE	\$ _____	\$ _____	\$ _____
	Per qualified event notice issued	\$5.00	\$5.00	\$5.25
	Set-up fee per COBRA elector	\$25.00	\$25.00	\$26.00
	Monthly administration fee	\$5.00	\$5.00	\$5.25
	Estimated monthly fee	\$2,975.00	\$2,975.00	\$3,121.75
	Estimated annual fee:	\$35,700.00	\$35,700.00	\$37,461.00
	Estimated fee per employee:	\$7.00	\$7.00	\$7.34

Assumptions:

Estimated COBRA participants per month:	425
Estimated number of qualified event notices per month	130
Estimate of monthly number of qualified beneficiaries	
Who elect to continue coverage (6%)	8

<u>Fee Extension</u>	<u>Years 1 and 2</u>	<u>Year 3</u>
Per qualified event notice issued	130 X \$5.00 = \$650.00	130 X \$5.25 = \$682.50
Set-up fee per COBRA elector	8 X \$25.00 = \$200.00	8 X \$26.00 = \$208.00
Estimated monthly Administration Fee	425 X \$5.00 = <u>\$2,125.00</u>	425 X \$5.25 = <u>\$2,231.25</u>
Estimated Total Monthly Charges	\$2,975.00	\$3,121.75
Estimated Annual Charges	\$35,700.00	\$37,461.00
Estimated equivalent fee per employee:	\$2,975.00 ÷ 425 = \$7.00	\$3,121.75 ÷ 425 = \$7.34

**ERISA ADMINSTRATIVE SERVICES INC., 4527 N. 16<sup>th</sup> ST., SUITE 102, PHOENIX, AZ 85016**

Terms:	NET 30
Federal Tax ID Number:	86-0546811
Telephone Number:	602/ 234-0593
Fax Number:	602/ 234-9718
Contact Person:	Gerry A. Hwa
Vendor Number:	860546811
E-mail Address:	<a href="mailto:ErisaAZ@aol.com">ErisaAZ@aol.com</a>
Contract Period:	To cover the period ending <b>November 30, 2004</b>